BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2005-124-E - ORDER NO. 2005-270

MAY 23, 2005

IN RE: Application of Duke Power, a Div. of Duke Energy for Approval to Make Certain Changes to its Lighting Service Rate Schedules.	))))	ORDER APPROVING MODIFICATION TO LIGHTING SCHEDULES

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of Duke Power, a division of Duke Energy on an Application for approval to make certain changes to its Lighting Service Rate Schedules, all to be effective on July 1, 2005.

First, Duke proposes closing the 7,500 lumens and 9,500 lumens Suburban luminaires on Rate Schedule OL and the 7,500 lumens, 9,500 lumens, and 4,000 lumens luminaires on Rate Schedule PL to new installations, resulting, according to Duke, in reduced light pollution, light trespass, and disability glare issues from these luminaires. Duke states that approval of these changes would be with the understanding that existing customers with these luminaires will not be affected, since Duke will continue to maintain the existing luminaires.

Second, Duke requests the addition of an Urban 7,500 lumens luminaire on Rate Schedule OL to provide a new, more environmentally friendly lighting option for Schedule OL customers.

Lastly, Duke's current early termination practice provides for the collection of the lesser of the total amount of revenue remaining for the term of the original Contract Period, or the calculated loss due to early retirement of the installed light. Duke requests incorporation of early termination provisions in Rate Schedules OL, FL, and PL to provide for the collection of 40% of the total revenue remaining for the remaining term of the original Contract Period. This will allow Duke to recover its fixed cost of investment in lighting, while excluding the variable costs of energy and O & M that are included in the fixed monthly lighting rate.

We would note that the Office of Regulatory Staff (ORS) has reviewed the proposed changes, does not oppose them, and makes positive comments about them.

Accordingly, we approve the proposed changes. We would note that present customers will continue to be served under the present Rate Schedules OL and PL. However, new installations will have the benefits of reduced light pollution, light trespass, and disability glare issues. We would observe that the old Suburban-type fixture is very inefficient, due to lack of control over the direction of the lighting or the lighted area, and that some communities in the service area have implemented ordinances to limit or restrict installation of the Suburban-type fixtures, according to ORS. Thus, the proposed changes are positive ones, as is the proposed addition of an Urban 7,500 lumens luminaire on Rate Schedule OL. Also, with regard to the proposal to incorporate early termination procedures in the Contract Period sections on Rate Schedules OL, FL, and PL, the proposed changes will lower the customer liability for early termination costs by basing these costs on the Company's fixed cost of investment for the remainder of the contract period, according to ORS. The present method of determining early termination costs includes the variable costs of energy and O & M in the fixed monthly rate as well as the fixed cost. As ORS notes, this is a customer friendly modification.

Based on this reasoning, we approve the proposed changes, which shall be effective July 1, 2005. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

/s/
Randy Mitchell, Chairman

ATTEST:

/s/
G. O'Neal Hamilton, Vice-Chairman

(SEAL)